

7.2.5 Tax Incentives of the Energy Policy Act of 2005**New Homes**

- Builders who build homes that use 50% less energy for space heating and cooling than the IECC 2003 are eligible for a \$2,000 tax credit per home.
- Manufactured housing builder that either uses 30% less energy than this reference code or that meet the then-current ENERGY STAR criteria are eligible for \$1,000 tax credit per home. At least 10% of energy savings must be obtained through building envelope improvements.

Envelope Improvements to Existing Homes

- 10% tax credit up to \$500 for upgrading building envelope to be compliant with codes for new construction. Window replacement is capped at \$200. \$500 is the cap for all for envelope and HVAC improvements. Improvements must be installed between January 1, 2006 and December 31, 2007.

Commercial Buildings

- Tax deduction up to \$1.80/SF for new commercial buildings which are 50% more efficient than the requirements of ASHRAE 90.1-19XX.
- Tax deduction up to \$0.60/SF for existing commercial buildings which upgrade the envelope, lighting, or HVAC building systems to 50% more efficient than ASHRAE 90.1-19XX. The deduction can be combined when improvements are made to two building components.
- Deductions apply to new buildings placed in service and improvements to existing buildings completed between August X, 2005 and December 31, 2007.

Source(s): ACEEE, The Federal Energy Policy Act of 2005 and its Implications for Energy Efficiency Program Efforts, Sept. 2005, p. 1-7.